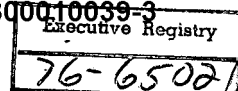


CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505



OLC 76-0244/a

Agar

12 FEB 1976

Honorable Bella S. Abzug, Chairwoman
Subcommittee on Individual Rights
Committee on Government Operations
House of Representatives
Washington, D. C. 20515

Dear Madame Chairwoman:

This is in response to your letter dated 27 January 1976 requesting information concerning the relationship or contacts of the Central Intelligence Agency with Airlie Foundation or Airlie House Conference Center, Warrenton, Virginia.

As you undoubtedly are aware, the Airlie Foundation at Warrenton, Virginia provides facilities for conferences sponsored by, among others, agencies of the Federal Government and private organizations. The CIA and its employees have been extended invitations by sponsors to attend conferences. The CIA, however, has never been a sponsor of a conference held at the Warrenton facility nor at any other facility of Airlie Foundation in the United States or elsewhere. Specific responses to the questions raised in your letter are enclosed.

In view of the absence of any direct relationship of CIA with Airlie Foundation or Airlie House Conference Center or with any of their officers or personnel, we trust that this response satisfies your inquiry.

Sincerely,

/s/ Vernon A. Walters

Vernon A. Walters
Acting Director

Enclosure
as stated

Distribution:

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OLC/PLC/dlw (5 Feb. 1976)

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(1) The nature and extent of the relationship or contacts of the Central Intelligence Agency (or any other element of the United States intelligence community) with Airlie Foundation or Airlie House Conference Center, each of Warrenton, Virginia, or with any of their officers, personnel, activities or programs.

Employees of the Central Intelligence Agency have by invitation attended conferences held at the Airlie House Conference Center at Warrenton, Virginia sponsored by other government agencies or private organizations. The invitations were made solely by the sponsors to the CIA or directly personally to CIA employees. There has been no direct relationship or contact of the CIA with Airlie Foundation, the Conference Center or their personnel.

In regard to your request as to the nature and extent of the relationship or contacts of any other element of the U. S. intelligence community with the Airlie Foundation and its Conference Center, we feel it best that you contact these agencies directly since we have no knowledge of the extent of their relationship with the Foundation.

(2) Whether the CIA or any of its personnel has had any contacts with, or been present at the Airlie House Conference Center or its activities, or has had contacts with its officers or personnel. If so, state who was present on each and every such occasion, the date and time the activity occurred, the nature of the activity and the nature of any contact or communication.

The invitations to the CIA and its employees to attend conferences held at the Airlie Foundation have come from the sponsors of the conferences and not from any officers or personnel of the Airlie Foundation. There has been no official contact with the Foundation officials or personnel other than casual contact with the Conference Center service personnel who provide meals and lodging.

Most invitations to CIA employees have been personal and informal, particularly for those conferences sponsored by the Department of State. Course announcements were sent by the Civil Service Commission to government agencies, including CIA to attend the "Conference of Ethics Counselors" held 24-25 November 1975. The CIA also attended the "Population Analysis Conference" sponsored by the Agency for International Development which was held for three days in March and May 1971.

(5) Whether the CIA has obtained any information at any time regarding what was said, transpired or took place at the Airlie House Conference Center or at any other place or activity sponsored by such Conference Center or by the Airlie Foundation, including but not limited to places and activities in or concerning Latin America pursuant to contracts with the Agency for International Development. If so, supply such information and state how it was obtained, the reason it was obtained, and all uses to which it was put.

Of course, CIA employees discussed the subject of the conferences that they attended with their Agency associates and undoubtedly with others having an interest in the subject. Also, CIA employees would have discussed the subject matter of a conference with those who attended when the subject was of interest to the CIA employees.

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Legislative Counsel

EXTENSION

NO.

DATE 12 February 1976

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

Actg Director

12 Feb 1976

Signature, pls.

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OLC

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BELLA S. ARZUG, N.Y., CHAIRWOMAN
LEO J. RYAN, CALIF.
JOHN CONYERS, JR., MICH.
TORBERT H. MACDONALD, MASS.
JOHN E. MOSS, CALIF.
MICHAEL HARRINGTON, MASS.
ANDREW MAGUIRE, N.J.
ANTHONY MOFFETT, CONN.

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NINETY-FOURTH CONGRESS

Congress of the United States
House of Representatives

GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS
SUBCOMMITTEE

OF THE

COMMITTEE ON GOVERNMENT OPERATIONS

RAYBURN HOUSE OFFICE BUILDING, ROOM B-349-B-C

WASHINGTON, D.C. 20515

January 27, 1976

SAM STEIGER, ARIZ.
CLARENCE J. BROWN, OHIO
WILLIAM MOULDER, JR., CALIF.
225-3741

Executive Registry

76-6502

OTR Registry

76-2070

Mr. William E. Colby
Director
Central Intelligence Agency
Washington, D.C.

Dear Mr. Colby:

This subcommittee, which has jurisdiction over government information matters generally, is considering the degree to which and the manner in which government agencies (by contract or otherwise) receive information from certain private entities. Accordingly, we would appreciate your providing us with the following information:

- 1) The nature and extent of the relationship or contacts of the Central Intelligence Agency (or any other element of the United States intelligence community) with Airlie Foundation or Airlie House Conference Center, each of Warrenton, Virginia, or with any of their officers, personnel, activities or programs.
- 2) Whether the CIA or any of its personnel has had any contacts with, or been present at the Airlie House Conference Center or its activities, or has had contacts with its officers or personnel. If so, state who was present on each and every such occasion, the date and time the activity occurred, the nature of the activity and the nature of any contact or communication.
- 3) Whether any CIA funds have been used, directly or indirectly, by or for Airlie House Conference Center, Airlie Foundation, or any of their officers or employees or by any persons attending their conferences, either in the United States or elsewhere, including Latin America. If so, state what funds have been so expended and the specific purpose or purposes for which they were expended.
- 4) Whether the CIA, directly or indirectly, through the Agency for International Development, any other government agency, or otherwise, has made any comments, suggestions or recommendations regarding the

ATIS

Mr. William E. Colby
January 23, 1976

Page 2

activities or programs of Airlie Foundation or Airlie House Conference Center, their officers, or their personnel. If so, state what comments, suggestions or recommendations were made, by whom they were made, how and to whom they were transmitted, and what responses were received to them.

5) Whether the CIA has obtained any information at any time regarding what was said, transpired or took place at the Airlie House Conference Center or at any other place or activity sponsored by such Conference Center or by the Airlie Foundation, including but not limited to places and activities in or concerning Latin America pursuant to contracts with the Agency for International Development. If so, supply such information and state how it was obtained, the reason it was obtained, and all uses to which it was put.

Please supply the subcommittee with all documents relevant to the above matters. We would appreciate receiving your reply and such documents within ten days.

Sincerely,

A handwritten signature in cursive script, reading "Bella S. Abzug". The signature is written in dark ink and is positioned above the printed name and title.

BELLA S. ABZUG
Chairwoman

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4 February 1976

MEMORANDUM FOR:

[REDACTED]
Office of Legislative Counsel

SUBJECT : Contacts with the Airlie Foundation
or its Officers

REFERENCE : Letter from Congresswoman Bella S.
Abzug, dated 27 January 1976

1. This is to confirm our conversation this date that the Office of Medical Services has had no formal or informal contacts with the Airlie House Conference Center, the Airlie Foundation, Dr. Murdock Head or its officers.

2. For the record, I have met Dr. Head socially at professional meetings and possibly other physicians have met him under similar circumstances. As you know, Dr. Head is quite prominent in his field and quite active in professional societies.

3. I can further state that during my tenure in OSI from 1957 to 1963 and during my assignment to ORD from 1963 to 1972 there were no formal or informal contacts with the above organizations or individuals.

[REDACTED]
Deputy Director of Medical Services

STAT
CL BY:

[REDACTED]
31 December 1984

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76-0295

OTR Registry

76-6087

-4 FEB 76

MEMORANDUM FOR: Office of Legislative Counsel

ATTENTION : [REDACTED]

SUBJECT : Use of Airlie House Conference Center

REFERENCE : Ltr dtd 27 Jan 76 to Director fm
Representative Bella S. Abzug

Pat:

Confirming our telephone conversation on 30 January 1976, the Office of Training's use of the Airlie House Conference Center has been confined to participation in external training programs, conducted at the Center by other Government agencies. Payment for the training courses was handled by Interagency vouchers, paid by the Office of Finance to the facility concerned.

For the past five years, our records reflect the following:

(a) Conference of Ethics Counselors, 24-25 November 1975, sponsored by the Civil Service Commission. Two Agency employees were in attendance: [REDACTED], both from the OGC. A copy of the course announcement is attached.

(b) Population Analysis Conference, sponsored by the Agency for International Development, a three-day conference which ran in March and May 1971. Agency employees in attendance: [REDACTED] (Ret.), and [REDACTED] all from OTR. A copy of a course critique is attached.

Jr
[REDACTED]
Director of Training

Atts

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A.E.G.

Subject: Conference of Ethics Counselors at Airlie House
November 24-25, 1975

Date: SEP 8 1975
In Reply Refer To:

From: David Reich
Ethics Counsel
(632-5524)

Your Reference:

To: ETHICS COUNSELORS

- (1) There will be a conference of all ethics counselors at famed Airlie House near Warrenton, Virginia, on November 24 and 25. Airlie House is only a 45 minute drive from the Potomac River bridges. We will convene there at 11:00 a.m. on November 24 and remain until 4:00 p.m. on November 25. Board and lodging for the period will be \$45 for each participant.
- (2) The purpose of the conference is to share mutual problems in our unique field and to have the opportunity for attaining specific results in a setting removed from busy offices and urban disturbances. Seminars are being planned on such topics as:
 - (a) Should there be an exemption dollar wise for limited holding of shares in a single company--a type of de minimis theory?
 - (b) Can a Federal official be given administrative leave and at the same time have his expenses paid for by a private organization, be it quasi-public or otherwise?
 - (c) Where an employee is required to dispose of stock by reason of a conflict of interest, should he be required to do so immediately? See 5 C.F.R. 735.107(b)(2). Is the current state of the stock market an appropriate consideration?
 - (d) Analysis of proposed legislation, such as a provision for making confidential statements available for public inspection.
 - (e) Is it appropriate for a Federal official to serve on the Board of Trustees of a University of which he is not an alumnus? If so, under what conditions?
 - (f) The problems, if any, of attorneys serving as lawyers for Federal employees in personnel proceedings. See 18 U.S.C. 205.

Keep Freedom in Your Future With U.S. Savings Bonds

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CSG FORM 631
NOVEMBER 1971

- (g) Can standards be defined for apparent conflicts of interest? Is it basically a judgment question--an ad hoc determination?
- (h) Review of 5 C.F.R. Part 735 for possible clarification, modification or amendment.
- (3) I would appreciate any recommendations you may have for additional topics or for amplification of any of the above. Would you be willing to serve as a seminar leader? Do you have any examples of conflict problems which you would like to present for discussion?
- (4) Please return the attached reservation sheet by October 1, 1975. You may extend this invitation to any other person in your agency who is intimately involved in the ethics program.

ATTACHMENT

16 June 1971

SUBJECT: Report on the Fourth Airlie House Conference
on Population

AT FROM :

1. The Population Conference, a relatively recently organized program sponsored by AID and run by the National Interdepartmental Seminar, is intended primarily for State and AID personnel. The Conference attempts to acquaint U.S. officials with the immediate as well as long term problems and issues that population growth present to a country, especially the less developed, and U.S. interests and programs in this area. In addition to State and AID officials, Agency and HEW representatives were enrolled.

The program, because of its purpose, touches on only a few areas of concern to Agency personnel, but nevertheless is useful.

2. The Conference is unusually well-run, efficient but relaxed, informal, and has been set up to encourage a high degree of class participation. If this running was representative of the other conferences this aim was successfully attained. The class evidenced a very high degree of interest from the first day and sustained its enthusiasm throughout the program. The extensive overseas experience of the students (most were 0-2 or 0-3, GS-14 or above) made their questions and observations meaningful and contributed substantially to the effectiveness of the Conference.

The Conference has been able to gather an unusually effective group of speakers, from government, universities, and private organizations, and this, of course, is a critical factor for achieving a sound program. What caps the effectiveness of the Conference is the quality and personality of the team that runs the Seminar -

- 2 -

Chairman Howard Haugerud of the NIS, John Tobler who administers the 3-day program, and Dr. Andre Hellegers, a consultant, who participates as a speaker and who coordinates the many presentations into a meaningful unity.

Needless to say, Airlie House is delightful as the location for the program.

3. Since the Conference is geared mainly for officials who will be to some degree concerned in their assignments with the problems of population, the program does not emphasize issues and situations that are of great interest to Agency personnel. However, both Newell and Schreiber derived significant benefit from the Seminar since OTR has recently become increasingly concerned in its courses with the problems of the less developed countries.

4. In the critique session that concluded the Conference we suggested that a few speakers from foreign countries should be included in the program. These, after all, are the types of people our U.S. officials must work with and their points of view and their opinions would be useful to understand.

In addition, we would have gained more from the program if greater attention had been given to political issues and their ramifications. Unfortunately, the one presentation in the program devoted to that question didn't really deal with the subject. However, we did benefit greatly from the presentation on Latin America by Professor Stycos of Cornell; he analyzed some of the issues related to population problems and the attitudes of political groups, his remarks were highly informative and useful.

5. Several of the speakers were exceptionally effective: Dr. Hellegers throughout the 3-day program, Milo Cox of AID on World Agriculture, and R.T. Ravenholt of AID on U.S. Medical Assistance Programs.

ST/

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4 FEB 1976

MEMORANDUM FOR: Legislative Counsel

ATTENTION :

[Redacted]

VIA

: Deputy Director for Administration

SUBJECT

: Agency contacts with the Airlie Foundation
of Airlie House Conference Center

1. Reference is made to the request from Congresswoman Bella S. Abzug of the Government Information and Individual Rights Subcommittee of the House Committee on Government Operations, dated 27 January 1976 (OLC 76-0244). Transmitted as an attachment to this memorandum are responses to the questions posed in Congresswoman Abzug's letter. These responses are based on information available in the files of the Office of Security.

2. Our files indicate interest in the Airlie Foundation and/or Airlie House on the part of the Office of Medical Services, the Office of General Counsel, the Office of Training and the Deputy Directorate for Intelligence. You may wish to consult with these offices for further details of their interest.

[Redacted]

Robert W. Gambino
Director of Security

Att

Distribution:

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WASHINGTON STAR 14 OCT 1977

Airlie Wins Verdict Against The Star

The Airlie Foundation and its director, Dr. Murdock Head, yesterday won \$519,800 in libel damages against The Washington Star.

The verdict by a six-member U.S. District Court jury here called for an award of compensatory damages of \$100,000 for Head and \$419,800 for the foundation which runs a conference center in Warrenton, Va. No punitive damages were awarded.

U.S. District Court Judge Oliver Gasch, who presided over the six-day trial which ended Tuesday, gave The Star 10 days to file motions asking him to overturn the jury verdict, a standard procedure in civil cases.

Conference Center

Airlie House, which is operated by the Airlie Foundation, is a 1,200-acre conference center located just east of Warrenton in Fauquier County, Va. It has been the scene of hundreds of conferences sponsored by public and private groups.

As developed in testimony at the trial, the case grew out of a Sept. 14, 1967, story in The Star reporting a charge by William Higgs that Airlie House was secretly supported by the Central Intelligence Agency, the State Department and the Pentagon.

It was testified that Higgs, a lawyer disbarred in Mississippi who has been a civil rights activist and a supporter of radical causes, made the charge at a press conference at which he issued a 16-page statement which he said supported the charge of covert ties between Airlie House and the governmental agencies.

Airlie Opened Books

The story on Higgs' press conference, which included a denial by Head, founder and director of the Airlie Foundation, and by a

government source, appeared in the last edition of The Star on that day. A different version, stressing the denials, appeared in all but the last edition the next day.

Following the appearance of these stories, Airlie representatives opened their financial records to The Star to support their contention that the Higgs charge was without foundation. And on

Sept. 18 and 19, The Star published a story reporting that a study of Airlie's books indicated that the institution was supported solely by private sources.

That story was accompanied by a statement that the editors of The Star were persuaded by the records that the foundation was privately financed and that "the foundation has demonstrated conclusively to them (the editors) that it is not, as charged last week, secretly supported by the Central Intelligence Agency or other government agencies."

In the trial, The Star contended that it was performing its role as a newspaper in reporting the Higgs charges. Evidence was presented to show the steps the story passed through—~~from~~ reporter Robert Walters, who wrote it, through various editors, including Editor Newbold Noyes—before the decision finally was made to print it.

The Airlie Foundation contended that The Star and its editors failed to show proper regard for whether the story was true or false and, in fact, printed it even though they had reason to believe Higgs' charges were false.

Witnesses for Airlie presented evidence that as a result of The Star's original stories, the institution suffered financial losses resulting from the adverse publicity.

Airlie Privately Financed, Study of Records Shows

Airlie House, one of the nation's best known conference centers, is supported solely by private sources, a study of its corporate books indicates.

Airlie trustees have made available their financial and tax records to refute a charge that the center is secretly financed by the Pentagon, State Department, and Central Intelligence Agency.

The records studied by The Star contain no evidence that Airlie House has received covert funds. They also show that Airlie House was operating at a deficit from 1960, its first full year of operation, until the past three years when small annual surpluses were recorded. In addition, there is no indication of "dummy" foundation financing of the type which led to disclo-

sure of secret CIA ties with other organizations earlier this year.

Airlie House, located on a 1,200-acre estate in Warrenton, Va., west of Washington, has

been the center of hundreds of conferences sponsored by a wide number of influential private and public groups. Some of the nation's leading scientists and scholars, as well as prominent figures from Congress and the White House, have attended the private meetings there.

Mortimer Caplin, the commissioner of the Internal Revenue Service during the Kennedy administration and the current president of the board of trustees of the Airlie Foundation, described the struggles Airlie House encountered while rising to a position "second to none" among similar private conference centers in the nation.

"It's been a very long and difficult road that has been followed," he said. "The record of the financial support of Airlie House has been open to the public from the beginning and I can state categorically that there has been no covert financing of the Airlie Foundation."

"I believe that Airlie House is making a major contribution to the intellectual and scientific progress of our nation, and it is an effort that has been made possible by the generous support of Dr. and Mrs. Murdock Head and other private individuals."

A Statement on Airlie

The editors of The Star, having examined the records of the Airlie Foundation, are persuaded that this institution is privately financed. The foundation has demonstrated conclusively to them that it is not, as charged last week, secretly supported by the Central Intelligence Agency or other government agencies. There is no evidence that any member of the foundation's staff or board of trustees is connected with the CIA.

The Star retracts contrary implications in its articles on Airlie of September 14 and 15, and regrets embarrassment caused the foundation, its executive director, trustees and members of their families.

"Airlie has moved along from the preliminary meetings in 1960 right up to the fully-booked program that it has today. This has been no easy task. Groups that have attended the conferences at Airlie have paid only the minimal costs, and they have come to Airlie relying heavily on the credibility of the center which has been established over the years."

Caplin, who now practices law in the District, serves without pay as president of the Airlie Foundation, a nonprofit corporation. Dr. Murdock Head is the founder and director of Airlie House.

The charge of secret governmental support for Airlie was made last Thursday by William Higgs, a civil rights activist and supporter of radical causes. Most recently, he has worked with Julius Hobson in the successful court challenge to de facto segregation in the District. A lawyer by profession, he has been disbarred in Mississippi, and is not a member of the District bar. He has been working to gain enough petitions in Washington, Maryland, and Virginia to place the name of Dick Gregory, the Negro comedian, on the ballots as a third party candidate for president in next year's election.

Called Press Conference

Higgs called a press conference at his house, 618 D St. NE, and issued a 16-page, typewritten statement detailing his account of what he claimed were covert governmental ties to Airlie House. He would not say specifically what prompted his four-month personal investigation.

Asked about his motives, he indicated he was concerned about CIA involvement in domestic af-

His statement catalogued a number of specific allegations against the Airlie operation. These were immediately and flatly denied by Dr. Head, who said in a statement then:

"As the executive director of this foundation I can categorically state that the alleged support by the CIA can only be attributed to an overly fertile imagination, or for some reason unknown to us a deliberate attempt to falsify the facts."

The charge — and the denials — were carried in the last edition of The Star Thursday and the first three editions of Friday.

Subsequently, the Airlie trustees met with editors of The Star to provide point-by-point rebuttals of the allegations. They made available copies of Airlie Foundation's 1966 federal income tax returns as well as a financial report of the foundation dated Dec. 31, 1966, and prepared by Curran & Company, a certified public accounting firm in New York City.

5 Points Listed

In detailing what they said were specific errors in Higgs' account, the Airlie trustees made these points:

1. Higgs claimed that an investigation of Mrs. Head's parents, Lillian and Robert Gibson, showed they had few assets. He said a credit report showed Gibson worked as a washing machine salesman and his wife was employed by a beauty parlor. In fact, the Gibsons are not Mrs. Head's parents. Mr. Gibson, a retired Army major, is Dr. Head's stepfather and Mrs. Gibson is a retired Louisville (Ky.) businesswoman who owned, among other things, these

2. Higgs asserted that "an elaborate system of electronic 'bugging' equipment had been installed in Airlie's main conference building and was capable of secretly monitoring the conversations of conference participants. In fact, the trustees stated, Airlie House includes facilities for taping and recording conference sessions — but only if the conference director wishes to use them and so requests. Recording are made at the expense of the conferees. There are no "bugging" devices, and, since Airlie does have conferences where classified information is discussed, "obvious precautions are taken to preclude monitoring."

3. Higgs alleged that Airlie House maintained a large medical clinic and had two physicians specializing in plastic surgery on its staff. In fact, the trustees said, both statements are false. Originally, Airlie House did have a small outpatient clinic to serve conference participants, but it ceased operation four years ago. There never have been any plastic surgeons on the staff there.

4. Higgs implied that CIA directors once worked for Airlie. He identified Joseph J. Sisco, Dr. Head's brother-in-law, and presently a assistant secretary of state for international organization affairs, as "a former CIA employee." But, the trustees said, Higgs neglected to say that Sisco worked only six months for CIA in 1950.

5. Higgs concluded that what he claimed was a failure to find any source of substantial income for Airlie, and the foundation's extensive ties with former intelligence officers and federal employees, "convinced him of secret government links. The foundation records clearly disprove any such conclusion."

Income From Fees

The 1966 income tax returns, for instance, show the principal source of income—\$443,893.81—came from standard conference fees. The next largest source of income, \$73,630.67, were from television and film production receipts.

Only a total of \$42,665 was listed as income received from gifts and contributions from other sources, and a large part of those gifts came personally from Dr. and Mrs. Head. The other contributors were from individuals and organizations known to be free of customary channels.

9/24/78

In addition, the company's records show a number of notes due and owing to Dr. and Mrs. Head.

Besides Caplin, the following are listed as officers and members of the board of trustees: Edwin L. Bain, treasurer; Dr. Brian Blades, Gen. Lemuel C. Shepherd, J. Henry Berne, secretary; Newton Minow, Joseph J. Sisco, Jane G. Head and Edward L. Katzenbach Jr. Berne is the only member to receive any financial remuneration—\$3,000 a year.

Operations Described

In the tax return filed with the U.S. government, the foundation describes its operation and itself in these words:

"Airlie Foundation, a nonstock corporation, was originated primarily to promote an understanding and appreciation of the interrelationships which exist in the physical and social sciences, and to disseminate basic factual material relating to these sciences. In the pursuit of these objectives, in 1966, its main activity was the operation of a conference center for educational, scientific, and governmental organizations involved in fields local, national and international. A secondary operation was the production and distribution of motion picture films in education, the sciences, and the arts. These films were produced for governmental and professional organizations, as well as for the general public through the medium of television. In these activities, Airlie Foundation has worked in close cooperation with universities, professional societies, federal agencies."

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